

REPORT NO.

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\* from SAG jurisdiction to VEB

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2. SAG Kabel discontinued its payments to Kabel-Koepenick as of 1 May 1952. Financial claims of the plant amount to about 7.5 million DM. Allegedly there are no available funds to pay the claims. In view of the discontinued payments, the factory has stopped production. At the same time, the management of the plant has issued orders. The capital allocation for re-investment in the plant has been cut from 6.5 to 4.5 million DM East. Under the new ownership inventory, the plant is not to exceed 60 days' production.

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3. Diamonds also fall under the same policy has been strong. The policy in the future is to be 150,000 DM East. At present, no further diamonds can be purchased and supplies in excess of the limit are to be disposed of.

[illegible]

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